

Page Denied

Next 1 Page(s) In Document Denied



**Directorate of
Intelligence**

~~Secret~~

25X1

Narcotics Review

25X1

August 1986

001/150/0010/0079996

ADDRESS :

FILE COPY/SOURCED COPY
CONTROL BRANCH/CPAS/PDG/IMC
ROOM 7607 HQS
NO ADHOC REQUIREMENTS

1

425

425

~~Secret~~

DI NR 86-004
August 1986

Copy 425

Page Denied

Secret

25X1

Narcotics Review

25X1

August 1986

1

Panama: Straddling the Fence on Drug Control

25X1

25X1

Panama's position as an international shipping center and its wide-open commercial atmosphere—including a "free zone" and strict bank secrecy laws—make it a prime target for narcotics traffickers. Panamanian authorities have stepped up counternarcotics operations and are cooperating with the United States on interdiction and drug crop eradication. There have been no moves, however, to loosen up Panama's bank secrecy laws, which provide protection for the illicit profits of international drug traffickers.

25X1

7

Mexico: The State of Drug Control

25X1

25X1

The Mexican Government has failed to suppress the resurgence in the drug trade, and drug production is outpacing the crop eradication program—the core of the narcotics-control effort. Mexican officials have taken steps that should improve the efficiency of the antidrug campaign, but more drastic measures are needed to rid the program of its greatest defect, corruption.

25X1

11

Mauritius: Drug Dealing on the Rise

25X1

25X1

Escalating domestic drug abuse and narcotics trafficking in Mauritius have tarnished the image of Prime Minister Jugnauth's moderate government. Several prominent politicians belonging to the three-party governing coalition, the Alliance, have been arrested for drug smuggling. Mauritius' strategic location and extensive airlinks to Africa and Europe and to heroin-producing countries in Southwest Asia may increase its use as a transit point for drugs destined for Western markets.

25X1

15

Saudia Arabia: Drugs and Security Worries

25X1

25X1

Saudi Arabia's role as a consumer of and transit point for illicit narcotics has expanded despite enforcement efforts, and Riyadh fears that established routes for contraband narcotics may become increasingly attractive as conduits into the kingdom for weapons and other subversive materials.

25X1

Secret

DI NR 86-004
August 1986

Secret

25X1

19

Golden Triangle: Border Trafficking Monopoly Under Fire

25X1
25X1

The Shan United Army (SUA) remains the dominant narcotics trafficking group in the Golden Triangle but is under attack by a coalition of competing trafficking groups. The conflict has altered trafficking patterns in the region and may cut the SUA share of the heroin trade.

25X1

23

Worldwide Narcotics Highlights

25X1

A summary of key developments from 1 June to 1 August 1986.

25X1

This review is published bimonthly by the Directorate of Intelligence and examines international, regional, and functional issues related to the worldwide drug problem. Appropriate articles produced by other elements of the CIA as well as other US Government agencies will be considered for publication. Comments and queries are welcome and may be directed to the Chief, Strategic Narcotics Division.

25X1

Secret

Secret

25X1

Panama: Straddling the Fence on Drug Control

25X1

Drug Trafficking Through Panama

Panama's strategic location on well-established trade and travel routes between South American drug-producing countries and the US market makes it a prime target for exploitation by narcotics traffickers and a natural transit point for US-bound cocaine and marijuana. [redacted]

Latin American drug traffickers—principally Bolivians and Colombians—use Panama both as a refueling point for ships and aircraft carrying drugs to the United States and as a transshipment area. [redacted]

Panama's Colon Free Zone offers a number of unique advantages to drug transshipment operations. Goods can be imported, processed, and exported without any duties, and ships undergo no rigorous customs searches. Traffickers can easily take advantage of the high degree of protection and freedom afforded to legitimate business to move drugs through the Free Zone:

- According to US Coast Guard sources, coastal freighters probably involved in drug trafficking use the Colon Free Zone as a staging area for operations between Panama and the northern coast of Colombia. Ships declare for Aruba but rendezvous with Colombian mother ships off Barranquilla and Cartagena to pick up marijuana and possibly cocaine.

- In late 1984, the [redacted] Colombian traffickers were bringing cocaine and contraband coffee into the Colon Free Zone for further transshipment to the US Atlantic coast. Although we have no hard evidence, we believe that major Colombian traffickers have established warehouses and ship repair facilities there.

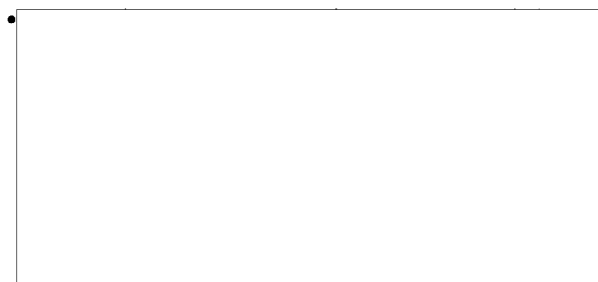


25X1

Trafficking through Panama's airports and various ports outside the Free Zone also is commonplace:

25X1

25X1



25X1

- [redacted] some major Colombian trafficking organizations are shipping cocaine to their established networks in Panama on coffee boats normally engaged in both legitimate and contraband coffee trade. The coffee boats offload the cocaine onto smaller vessels near the US coast for onward shipment to the United States.

25X1

- Vacamonte—a port on the Pacific coast 32 kms west of Panama City—has been implicated by [redacted] as a possible center for offloading and refueling operations. It has extensive warehousing, transshipment, cold storage, and ship repair facilities.

25X1

25X1

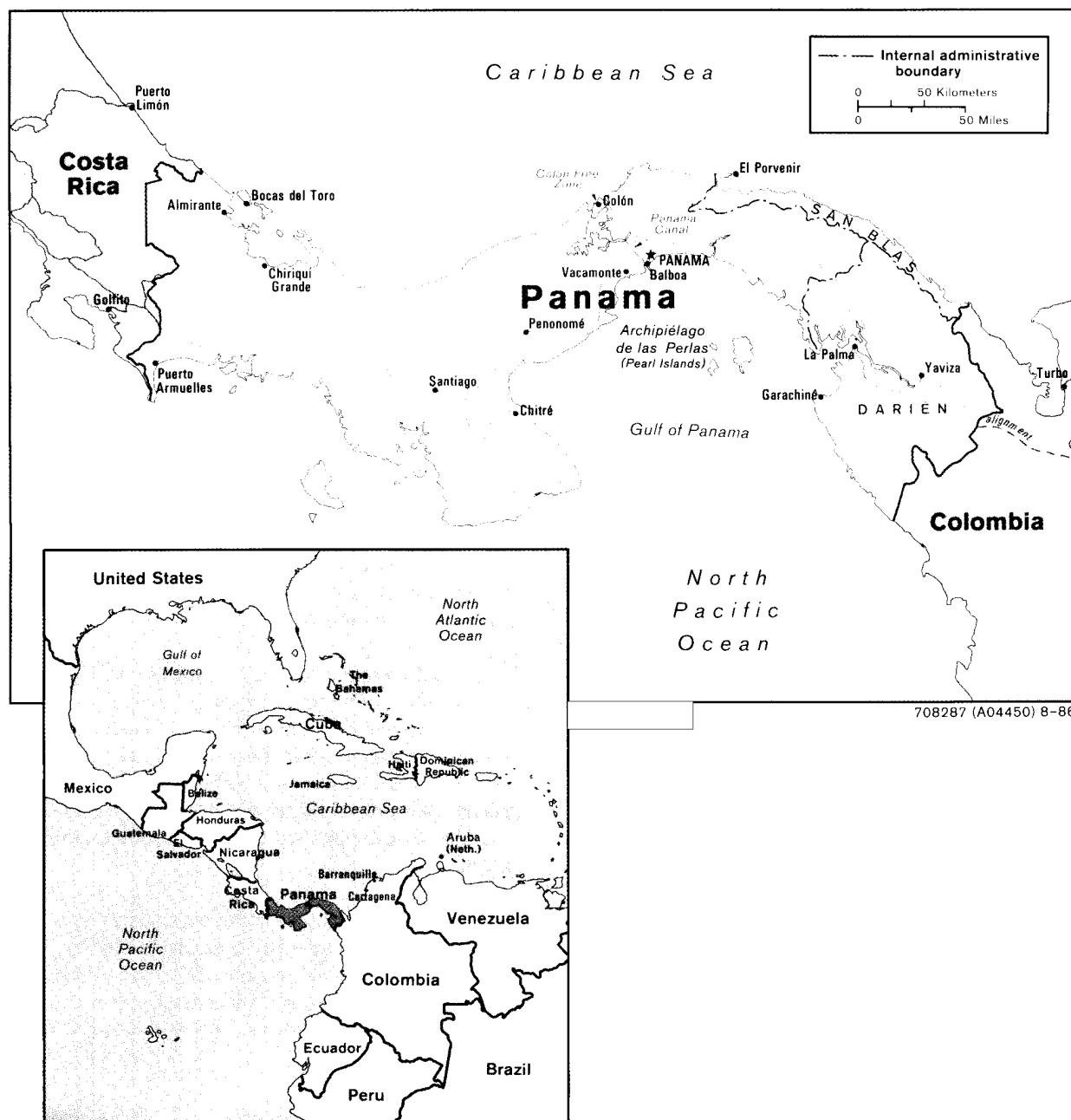
- Some Panamanian officials are concerned that Colombian drug traffickers are using the San Blas region in northeastern Panama as a safehaven and transit point. This area's location, sparse population, and lack of firm government control make it ideally suited to drug trafficking activity. [redacted]

25X1

25X1

Secret

DI NR 86-004
August 1986

Secret

25X1

Drugs and FDP Corruption

The FDP, headed by commander Manuel Noriega, is a combination of military, police, and internal security forces and has the principal responsibility for narcotics enforcement in Panama. Sectors of the FDP

specifically involved in antidrug operations are the [redacted] and the National Department of Investigations (DENI)—the latter primarily a civilian detective force headed by a

25X1

Secret

Secret

major in the G-2. The Narcotics Department in the Ministry of Finance makes drug seizures at Panama's major ports of entry and carries out related investigations. This department is headed by a high-level DENI inspector who reports to FDP commander Noriega, giving him ultimate control over all antidrug units in Panama. [redacted]

The FDP is rife with cronyism. Members know that loyalty to FDP commander Noriega, acceptance without question of his involvement in shady activities, and fitting into the "FDP Family" will earn them respected positions even at the lowest ranks. Eventually, [redacted] they are allowed to participate in corrupt activities that net a small profit, such as issuing false passports and transporting illegal immigrants. As they ascend to higher levels in the FDP and as long as they maintain a low public profile, personnel may be cut in on a bigger piece of the action, becoming involved in activities such as facilitating drug and arms transshipments and money laundering deals. [redacted]

For several years, some State Department and other US Government officials have suspected members of the FDP of participating in narcotics trafficking for personal gain. [redacted]

[redacted]

[redacted]

Some US Embassy officials believe the FDP was responsible for the decapitation in September 1985 of Hugo Spadafora, Vice Minister of Health in the late 1970s and a vocal opponent of General Noriega for years. General Noriega frequently expressed his strong dislike of Spadafora, who reportedly had threatened to publicize details of Noriega's alleged involvement in arms and drug trafficking as well as other illegal activities. [redacted]

[redacted]

[redacted]

[redacted] Noriega has used his position and influence to enter licit business ventures and reportedly is one of the richest men in Panama. We suspect, however, that a significant portion of Noriega's wealth was derived from illicit activities such as receiving payoffs for allowing drug and arms transshipments and the laundering of narcodollars through Panama. [redacted]

General Noriega may now be attempting to improve the FDP's image by ridding its ranks of those officers publicly accused of corruption and by increasing FDP participation in joint narcotics enforcement in the Caribbean. On the other hand, [redacted] shifting of FDP personnel, his recent appointment of FDP Maj. Pasqual Gonzalez—one of the FDP's most corrupt members—as Director of Civil Aeronautics, and efforts to establish firmer FDP control over traditionally civilian operations will facilitate the transshipment of drugs through Panama. [redacted]

Secret

Secret

Antitrafficking Measures

[redacted]

Government officials are making a visible effort to combat drug trafficking, particularly through Panama City's two airports and major ports throughout the country:

- [redacted]

[redacted] Panamanian officials in 1985 confiscated 200 metric tons of marijuana from ships with Panamanian registry. In addition, cocaine refining chemicals—including 13,250 liters of ether and 5,400 liters of acetone—were seized in the Colon Free Zone from mid-to-late 1985.

- Panamanian officials forced the shutdown of INAIR—a commercial aviation company with international flights—in mid-1984 after one of the firm's planes was seized in Miami with nearly 2 tons of cocaine. INAIR's president and principal stockholder, Richard Bilonick, has long been involved in drug and arms smuggling, according to the US Embassy, and has been associated with at least five other airlines. Bilonick, however, remains free in Panama because Panamanian officials claim they lack evidence to file drug trafficking charges against him.

According to the US Department of Justice, "dozens" of non-Panamanians have been deported from Panama in recent years for drug-related offenses, although there have been no formal extraditions of drug traffickers from Panama. In 1985 alone, 66 foreign nationals were arrested in Panama on drug charges. [redacted]

Marijuana Eradication

Marijuana has been cultivated on a small scale for years, but Panama is not a significant producer. Traditional growing areas are the Archipelago de las Perlas (Pearl Islands), and, to a lesser extent, the area around Garachine in Darien Province, and San Blas Province in northeastern Panama. Panamanian officials are working [redacted] to

eliminate marijuana cultivation in the Pearl Islands, where in September 1985 the government began a marijuana eradication program that destroyed an estimated 210 hectares of the crop. A followup spraying mission in mid-January destroyed an additional 137 hectares, and 18 tons of harvested marijuana were burned in the same operation. According to the State Department, the two spray campaigns destroyed virtually all of the marijuana grown in Panama, and Panamanian officials reportedly have pledged to continue efforts to limit its cultivation. [redacted]

[redacted]

Money Laundering—The Real Issue

The country's status as an international financial center and its associated bank secrecy laws promote drug money laundering operations by prohibiting the release of information on funds in coded accounts. This makes it impossible to trace the origin of profits from suspected drug transactions. Use of the US dollar as legal tender in Panama, liberal incorporation laws, and few restrictions on money movements from Panama probably provide the incentive for drug traffickers to transfer illegal profits from the United States to banks in Panama. In addition, social and cultural ties between Panama and Colombia—and the fact that Panama has the only Caribbean banking system that uses Spanish as the official language— attract Latin American traffickers to the country for money laundering operations. At least 12 Panamanian banks are suspected of involvement in money laundering, but Panamanian officials have taken punitive action against only one. [redacted]

The United States has been attempting since March 1984 to negotiate a Mutual Legal Assistance Treaty (MLAT) with Panama, which would allow investigation of coded dollar accounts. The proposed MLAT stipulates, however, that authorities can obtain information concerning a secret account only if

25X1

25X1

25X1

25X1

25X1

25X1

25X1

Secret

Secret

individuals being investigated have violated Panamanian law. Significant progress on the treaty is unlikely because even legitimate banking enterprises probably will pull out of Panama if legislation allowing investigation of secret accounts is enacted. Failure to establish such a treaty probably will result in an even larger influx of narcodollars into Panama as traffickers search for additional locations to launder their illegal profits. []

25X1

Outlook

Panama is in a key position either to facilitate the South American narcotics trade or to take measures that could make trafficking more difficult. Panama is likely to continue pursuing some measures—marijuana eradication and interdiction of drug-laden ships—in an effort to demonstrate a greater commitment to countering the narcotics trade and help to silence charges of FDP involvement in drug smuggling. General Noriega may also hope these highly visible activities will deter the United States from pressing Panama to sign an MLAT, which—if effectively enforced—could seriously damage Panama's legal banking enterprises. Nevertheless, we believe General Noriega will likely continue to allow FDP members to receive drug-related payoffs as long as the operations do not draw attention to the FDP and cause it to be subjected to further criticism. []

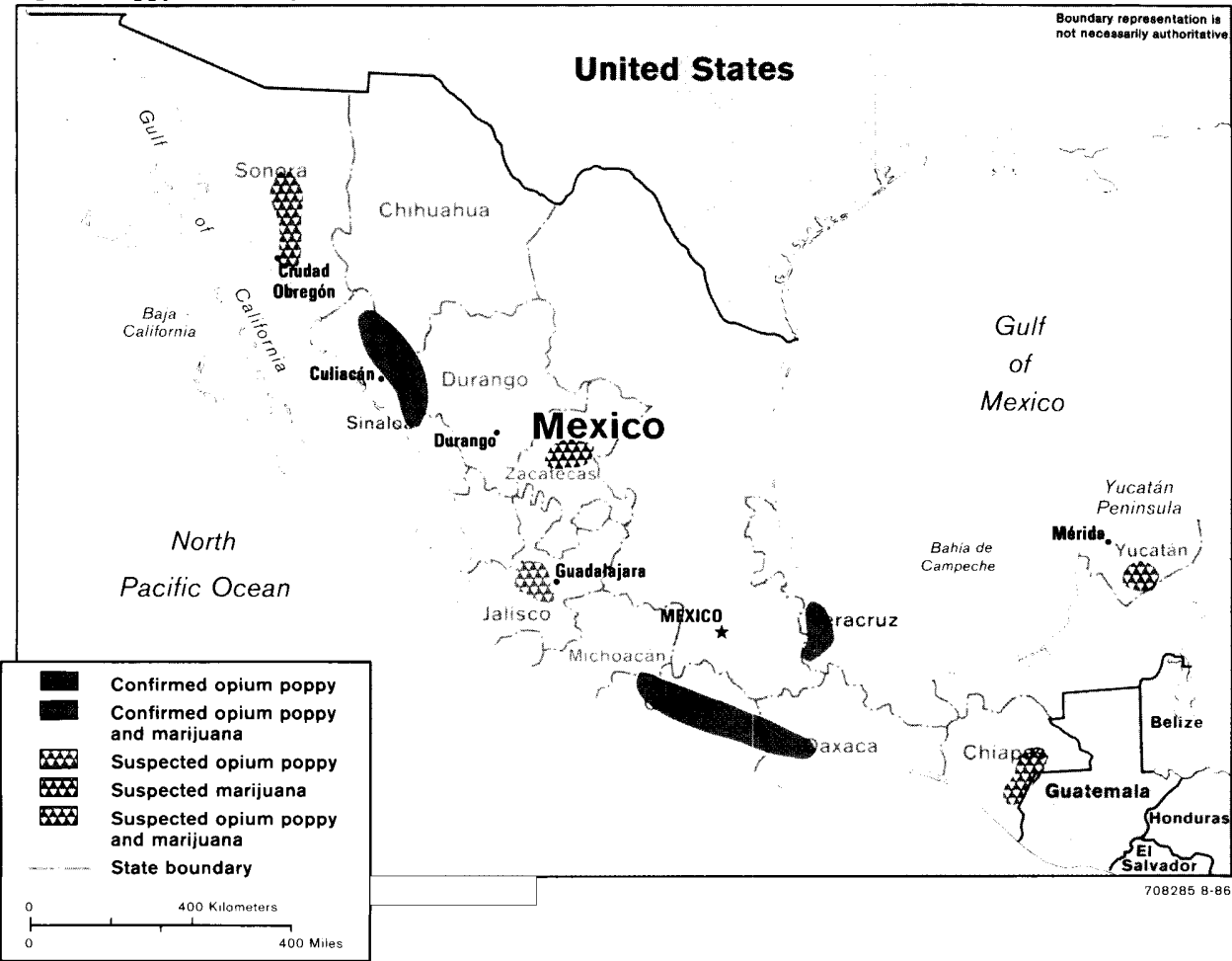
25X1

25X1

Secret

Secret

Figure 1
Opium Poppy and Marijuana Cultivation



25X1

Secret

Secret

Mexico: The State of
Drug Control [redacted]

25X1

Current Status of the Drug Trade

Mexico has solidified its role as a major narcotics production and trafficking center. Opium poppy and marijuana cultivation continue to flourish, and Mexico has become a more important transshipment area for South American-produced cocaine and marijuana from Belize and Guatemala. [redacted]

25X1

25X1

Opium Poppy

Cultivation in Mexico's two major growing areas—the northern tristate area of Sinaloa, Chihuahua, and Durango and the southern area extending through the States of Michoacan, Guerrero, and Oaxaca—has expanded steadily since 1983 (figure 1) [redacted]

25X1
25X1

[redacted] cultivation in the region expanded to some 7,800 hectares in 1985, compared with about 5,580 hectares in 1984, and 3,700 hectares in 1983. Opium production could have reached 47 tons in 1985, a major increase over an estimated 30 tons in 1984 and an estimated 17 tons in 1983.¹ Preliminary analysis [redacted]

25X1
25X1

[redacted] indicates that 1986 opium poppy cultivation remains at about the same levels as 1985, with no significant change in the area planted. [redacted]

Heavy concentrations of opium poppy were observed within a 160-kilometer radius east and north of the city of Culiacan, Sinaloa State. We detected a greater use of more sophisticated cultivation techniques—such as irrigation and staggered planting—that are likely to contribute to another robust opium crop in 1986 [redacted]

Our estimates are almost certainly conservative. In the past, [redacted] some poppy also is grown in parts of the Yucatan Peninsula, Baja California, and Jalisco State. [redacted] poppy fields are located in the States of [redacted]

¹ On the basis of a yield of 8 kilograms per hectare, and assuming ideal weather conditions and that the Mexicans eradicated no more than 2,000 hectares per year. [redacted]

Chiapas and Sonora. Veracruz State, on the east coast, is fast developing into a major center of drug activity. [redacted]

25X1

[redacted] poppy and marijuana cultivation are widespread, and traffickers are buying ranchland to expand cultivation. Information on the scale of cultivation in Veracruz is incomplete, but ideal growing conditions and increased trafficking suggest that illicit cultivation could expand quickly. [redacted]

25X1

25X1
25X1

According to DEA officials, virtually all of Mexico's opium is processed into heroin for the US market. The greater quantity of opium probably is causing traffickers to search for new ways to market their products. One particularly potent form of Mexican-produced heroin called black tar is now available in 27 states in the United States. [redacted]

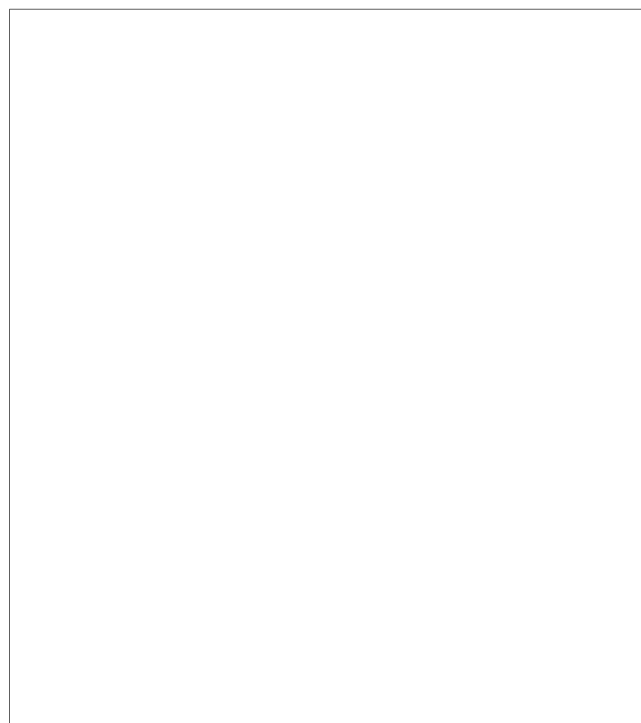
25X1

25X1
25X1

25X1

25X1

Secret



planting marijuana to secure additional income.

[redacted] greater numbers of farmers in the Yucatan Peninsula are planting marijuana between rows of the region's more traditional henequen fiber plant. [redacted]

[redacted] some farmers are forgoing the planting of licit crops and are renting their fields for marijuana cultivation. [redacted]

[redacted] Mexican traffickers are extending operations into Belize and Guatemala in a move that demonstrates their growing potential for developing cross-border trafficking infrastructures. In March, [redacted]

Mexican traffickers stepped up purchases of large amounts of marijuana in northwestern Belize for overland shipment to Mexico. [redacted]

[redacted] other Mexican traffickers arranged to move large amounts of Guatemalan marijuana to middlemen in Belize for further transshipment through Mexico to the United States; [redacted]



Marijuana

Marijuana cultivation is widespread and probably is grown in every state. [redacted]

farmers plant two crops each year. Cultivation practices include both highly sophisticated plantations—such as those found in Chihuahua in November 1984—and the more common smaller fields planted by individual farmers. [redacted]

[redacted] cultivation is widespread in the northern tristate region of Sinaloa, Durango, and Chihuahua. On-site surveys indicate some interplanting of marijuana and opium poppy. [redacted]

[redacted] marijuana cultivation in other areas continue to surface. In December 1985, [redacted]

[redacted] some 70 hectares were being cultivated near the town of Ciudad Obregon in Sonora State.

[redacted] marijuana is being grown in at least three locations in the southern and central areas of the State of Chiapas. [redacted]

[redacted] Reporting from the US Consulate in Guadalajara last May indicates that farmers in the State of Zacatecas are

Cocaine Transshipment

[redacted] major Mexican trafficking organizations, previously involved only in marijuana and heroin, now routinely smuggle cocaine to the United States. During the last two years, the amount of cocaine seized in Mexico and in US border states increased substantially.² During the first three months of this year, US and Mexican officials have seized more cocaine than in all of last year. [redacted]

[redacted] the amount of cocaine seized along the southwestern border last year represented only 5 percent of all US seizures, and Florida remains the major point of entry for cocaine reaching the United States. Nevertheless, we are confident that greater— if still unknown—amounts of cocaine are being transshipped through Mexico. [redacted]

[redacted] statistics, Mexican officials seized 2,519 kg of cocaine in 1985, a 467-percent increase over 1984. US authorities in California, Texas, New Mexico, and Arizona seized 1,151 kg in 1985, a 364-percent increase over the 248 kg seized in these states in 1984. [redacted]

Secret

Secret

Eradication Falling Behind

Mexico's drug crop eradication program is not holding the line against increasing drug production. Crop estimates and reporting from the US Embassy indicate that illicit crop cultivation surged for the second straight year in 1985, and another large harvest is expected this year. DEA agents in the United States reported recently that there is a glut of heroin on the southwestern US market, providing further evidence of a resurgence in poppy cultivation.

Mismanagement and laxity in aircraft maintenance and flight training plague the eradication program. Total flight time for the helicopters in the spray campaign dropped below 1984 levels last year, despite the addition of 12 aircraft. Damage to aircraft, mostly due to pilot error, reached an alltime high in 1985. The US Embassy reported that, even though some 30 of the 43 available helicopters could be outfitted with aerial fumigation equipment, the Mexicans can operate only 10 to 15 aircraft at any one time because of a shortage of qualified pilots. Low salaries and safer, higher paying opportunities in private aviation are probably the major reasons for the government's struggle to maintain an adequate force of spray pilots.

Countermeasures by growers also are undercutting the effectiveness of the crop eradication program.

farmers continue to plant small fields—averaging about 570 square meters (.057 hectares)—in hard-to-reach mountainous areas, making detection and eradication difficult. Moreover, widespread use of irrigation offers growers greater flexibility; more farmers can plant two crops rather than one, poppy fields can be scattered over a greater area, and sprinklers can be used to rinse off the plant to minimize the effect of the herbicide.

in 1986 irrigated fields are larger and contain denser stands of poppy than the average field—conditions that could result in higher yields per hectare.

Corruption the Key

drug control officials in Durango State routinely did not report the locations of poppyfields and in some cases arranged for fields to be sprayed with water instead of herbicide.

to 70 percent of the state judicial police in Sinaloa—Mexico's most important opium-refining and -growing area and the site of over 75 percent of all reported eradication—are engaged in the protection and expansion of the region's narcotics trade. President de la Madrid recently forced three senior officials in Sinaloa State to resign, apparently because of their involvement with drug traffickers.

the Governor of Sinaloa maintains extensive ties to the drug trade, and opposition parties are sponsoring a national inquiry into the Governor's allegedly corrupt activities.

We believe that the organization and operation of the aerial spray campaign—which divides Mexico into 13 zones, each with a coordinator responsible for overseeing aerial fumigation—makes it relatively easy for traffickers to undermine spray operations. To secure official complicity, traffickers need only to co-opt the zone coordinator, the chief navigator, or the chief pilot—who meet each morning to plan spray missions in a particular zone. Zone coordinators in the major growing areas are almost certainly offered bribes and threatened if bribes are refused.

in 1984 that Miguel Conde Comacho, while serving as the zone coordinator in the key northern poppy-growing area, zone 6, accepted bribes to divert spray helicopters away from mature poppy fields and to ensure that aircraft carried diluted herbicide. in June 1985 that the former eradication zone coordinator in Durango, Hugo Quintanella, had been thoroughly corrupted by the Herrera drug organization. Quintanella routinely provided traffickers with information on the timing and location of antidrug operations. He also funneled bribery money to pilots and navigators who in turn directed spray operations away from opium poppy fields controlled by the

Secret

Secret

Herrera network. The Quintanella-Herrera connection continued to operate following Quintanella's transfer to Merida, Yucatan State, in January 1985. []

We judge that higher salaries and more frequent rotation of key drug-control officials could reduce the susceptibility of these officials to corruption. Moreover, more forceful action against corrupt officials—such as prosecution rather than the standard transfer—would demonstrate Mexico City's determination to clean up the drug-control program and could deter officials from establishing future links to the drug trade. []

Prospects

We believe that eradication remains the most effective way to reduce the quantity of Mexican-produced drugs entering the United States, and [] [] the Mexicans have taken steps to improve the operational efficiency of the aerial spray program:

- Three larger Bell helicopters will be integrated in operations in hopes that their greater herbicidal carrying capacity and extended range will result in increased eradication.
- A fixed-wing Thrush aircraft will be incorporated into the program to free more helicopters for missions against hard-to-reach fields.
- To upgrade flight safety, pilots will be required to undergo refresher training in aerial fumigation techniques. Efforts are also being made to recruit more pilots for the program.
- Surveillance missions are now being flown to confirm eradication data reported by field commanders. US State Department personnel also are assisting Mexicans in analyzing film from aerial surveys of poppy cultivation to provide information on crop cultivation necessary for efficient planning and execution of antidrug operations.
- In June, Mexican and US officials agreed to conduct a 45-day intensive spraying campaign this fall against poppy and marijuana cultivation in the northern tristate growing area. The United States

will contribute six fixed-wing Thrush aircraft with civilian pilots to the operation. Since large areas of high-density illicit crop cultivation are located in the north, this operation has the potential to make a significant dent in the amount of narcotics produced in Mexico this fall. []

These measures almost certainly will add to progress already achieved in 1986—the total area sprayed during the first two months was up by 8 percent over the same period in 1985. The gains, however, will be short lived unless Mexico City makes a sustained effort against corruption. The government, preoccupied with state elections and the troubled economy, and probably fearing a violent confrontation with the traffickers, is unlikely to take strong action against corruption any time soon. [] []

25X1

25X1

25X1

25X1

25X1
25X1

25X1

Secret

Secret

**Mauritius: Drug Dealing
on the Rise** [redacted]

25X1

Escalating domestic drug abuse and narcotics trafficking in Mauritius have tarnished the image of Prime Minister Jugnauth's moderate government. Several prominent politicians belonging to the three-party governing coalition, the Alliance, have been arrested for drug smuggling. US Embassy reporting indicates that most drugs smuggled into Mauritius—traditionally a small-scale cultivator of marijuana—are consumed in the country. [redacted]

[redacted] the island could evolve into an alternative transshipment point for illicit narcotics, primarily from Southwest Asia, destined for mainland African, European, and, to a lesser extent, North American markets. [redacted]

The Scope of the Domestic Problem

Accurate figures on local drug abuse are not available, but the government estimates that there are about 25,000 users in the population of 1 million, and that drug addiction probably affects one out of every eight teenagers. According to Embassy officials, drug users often resort to petty theft and prostitution to support their habit. The Embassy reports that the hardships posed by the 20-percent unemployment rate—almost 50 percent for males under the age of 25—has helped to make narcotics trafficking a big business. A government study in 1985 identified over 100 sites where drugs are sold within the capital, and local observers note that drug deals often are made publicly. [redacted]

Mauritians apparently use a variety of narcotic substances. According to the Embassy, marijuana is the most plentiful, inexpensive, and widely used narcotic. Marijuana crops often are cultivated within sugarcane fields and can easily escape police detection. [redacted]

domestic production may be falling short of local demand. For example, local officials note that marijuana currently is being imported from Madagascar and India. Other substances, such as opium, cocaine, heroin, and mandrax (methaqualone)—a synthetic depressant—are

smuggled in from abroad. Local authorities believe that most of these narcotics are brought in from India, Pakistan, and South Africa either on private yachts and cruise ships or through the VIP lounge at the country's single airport. [redacted]

25X1

The government's inadequately trained and poorly paid police forces thus far have been unable to clamp down on the domestic drug trade. Drug enforcement duties are divided between the Criminal Investigation Unit of the police force and the Anti-Drug and Smuggling Squad of the customs office. The Embassy reports, however, that the policy of rotating experienced enforcement officials every two years contributes to low morale among officials who feel overwhelmed by the extent of domestic trafficking. The authorities also are hamstrung by scarce resources and frugal budgetary allotments. The three police patrol craft cannot adequately patrol the approximately 100-mile-long coastline. The Embassy reports that about 30 customs officials, with little or no specialized drug enforcement training and no trained dogs, process an average of 3,000 tourists at the airport weekly. In addition, checks of private yachts in the local harbor are rare. Despite operational constraints, however, enforcement officials have arrested more than 500 people and confiscated close to \$2 million in narcotics since the beginning of this year, according to the Embassy. [redacted]

25X1
25X1

25X1

25X1

25X1

High-Level Political Connections

[redacted]

25X1

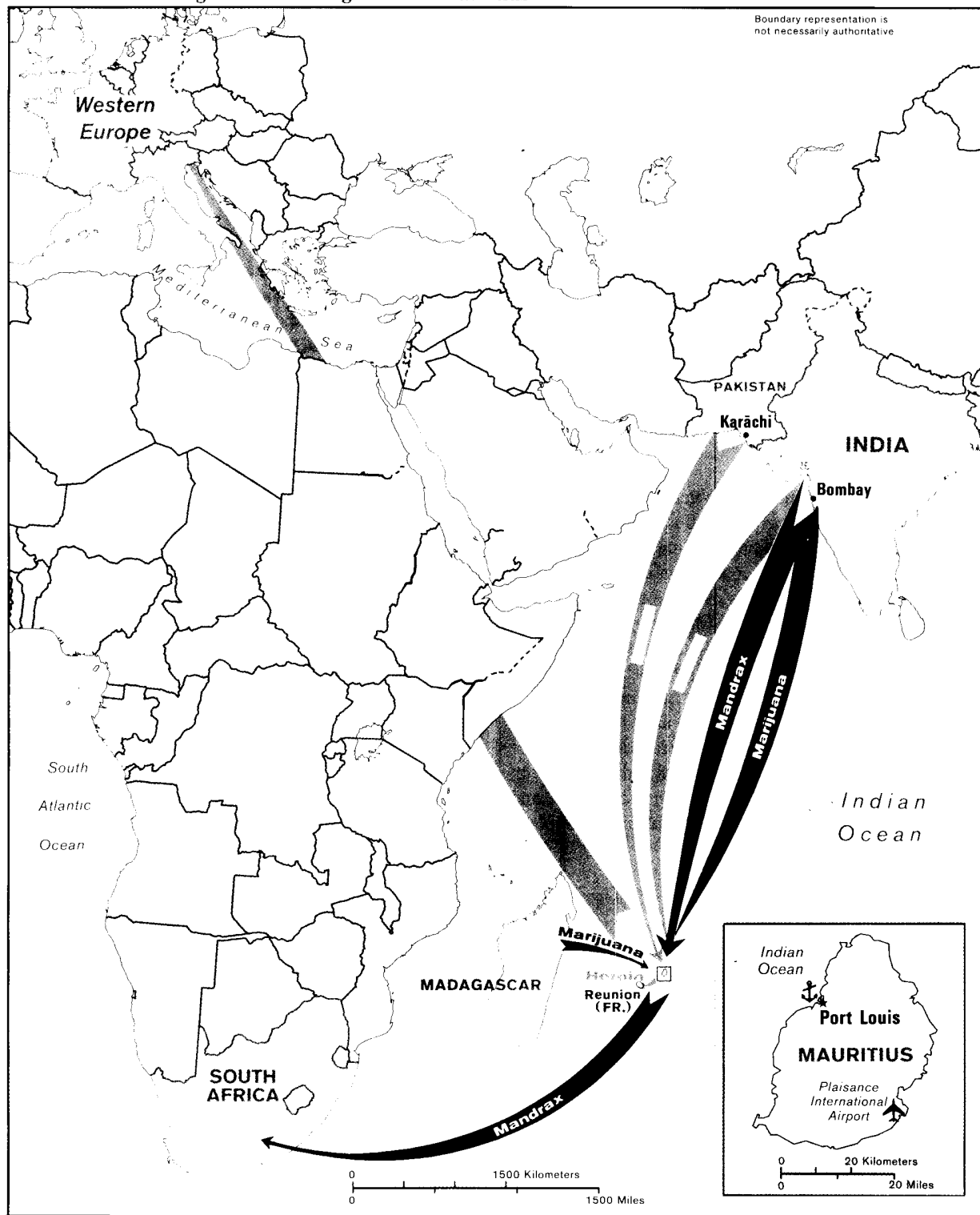
[redacted] In late December 1985, four Alliance members of parliament were arrested in Amsterdam for smuggling drugs. Three were released for lack of evidence, but their companion—who was carrying a suitcase full of heroin—remains in detention. Last May, authorities on the nearby French-administered island of Reunion uncovered a drug-smuggling network between the

25X1

25X1

Secret

Narcotics Trafficking Routes Through and to Mauritius



25X1

Secret

Secret

islands that allegedly involves several prominent Mauritians with political connections, according to the arrested dealers. The Embassy reports that a French commission is investigating the drug ring. Moreover, some Alliance parliamentarians frequent alleged trafficking centers or have contacts with known drug dealers, [redacted]

[redacted]

[redacted]

Political Fallout

The drug scandals pose a significant threat to the Alliance's ability to hold on to power until the scheduled end of its mandate in 1988.¹ The fractious, proleft Mauritian Militant Movement (MMM)—the leading opposition party—sought to capitalize on Jugnauth's wavering parliamentary support to call for a vote of no confidence, which the government defeated by a slim majority in May. Despite the victory, Embassy reporting indicates that the government's image is still being damaged by the MMM's muckraking campaign. Moreover, we believe that another government crisis could arise should evidence come to light implicating other high-ranking Alliance officials. [redacted]

25X1
25X1

25X1

To minimize the damage, Jugnauth has toughened his public stand on corruption and narcotics trafficking.

25X1
25X1

[redacted]

[redacted] The government is working with legislators to establish a special court to deal with drug-related cases and has proposed the death penalty for traffickers, a measure that the Embassy reports is unlikely to pass.

25X1

[redacted]

25X1

The government is launching a multipronged campaign with some assistance from the United States to combat domestic drug abuse and narcotics trafficking. The Prime Minister's wife and the Foreign Minister have traveled to the United States to participate in drug awareness conferences; they are prominently involved in drug education programs and in plans to establish drug treatment and rehabilitation centers. The government has approached the United States for help in training customs officials, setting up a regional customs workshop, and identifying the country of origin of confiscated narcotics. Authorities have begun to crack down on corruption in drug enforcement circles and recently arrested several police and customs officials involved in drug trafficking, according to the Embassy. [redacted]

25X1
25X1

[redacted]

Secret

Secret**Outlook**

The narcotics issue will remain a touchy political problem as long as the high unemployment rate provides economic and psychological incentives favoring drug abuse and trafficking. Jugnauth almost certainly will face some difficult decisions when the results of his drug commission and the French investigative commission are made public. He may be forced to call for early general elections—which he could well lose—if the commissions expose corruption and drug dealing at high levels of his government. If only a few low-level officials are indicted, however, we believe that Jugnauth probably will hold on to his position as long as he takes decisive action, such as purging the Alliance and prosecuting those involved.

[REDACTED]

25X1

Over the longer term, the inability of the authorities to control the borders may encourage international smugglers to use Mauritius as a regional transshipment point for narcotics destined for other markets. [REDACTED] traffickers now are directing some shipments of heroin and mandrax destined for South Africa through Mauritius because of a crackdown on smuggling in traditional routes through mainland southern African countries, such as Zambia. In our view, the use of Mauritius as an alternative regional transshipment point to Western markets could expand further because of its location and extensive airlinks to Africa and Europe and to heroin-producing countries in Southwest Asia. On balance, however, we believe that the government's recent willingness to crack down on traffickers, combined with efforts to seek foreign assistance for border control, could help limit the flow of drugs through Mauritius and reduce its potential as a transshipment point. [REDACTED]

25X1

25X1

25X1

Secret

Secret

Saudi Arabia: Drugs and Security Worries

25X1

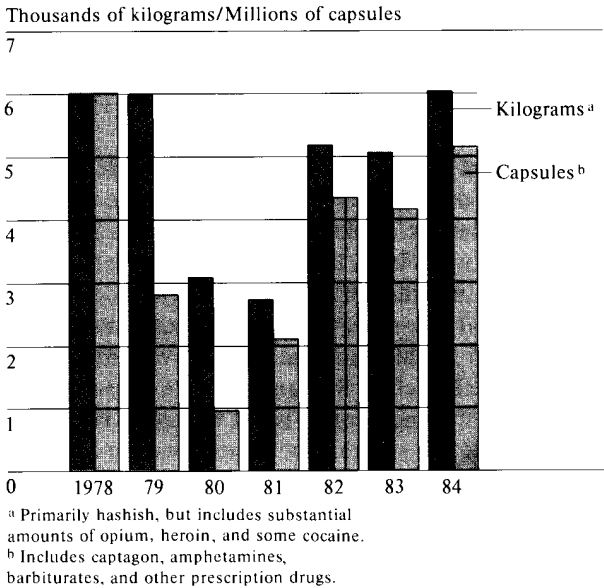
Saudi Arabia's role as a consumer of and transit point for illicit narcotics has expanded despite enforcement efforts. Drug seizures have increased throughout the kingdom, and there is evidence that narcotics abuse now affects a growing number of Saudis. Riyadh fears that established drug routes from Iran, Syria, and Lebanon may become increasingly attractive as conduits for weapons and other subversive materials into the kingdom. The Saudi Government has responded to the problem by seeking cooperative antinarcotics agreements with its neighbors, reassessing government security programs, and requesting further technical support and training from the United States. Increasingly, the Saudi response to narcotics trafficking reflects Riyadh's rising awareness that failure to limit the flow of narcotics through the country is a weak link in its national security program.

An Increasing Narcotics Challenge

Saudi Arabia's drug problem remains small in comparison with other Middle Eastern states, but the increase in the number and the size of recent drug seizures and expanded interdiction efforts on the part of the Saudi Government suggest the problem is increasing. the amount of heroin seized in the kingdom during March 1986 nearly equaled that seized in the previous two-year period. seizures of hashish, heroin, and—for the first time—cocaine increased dramatically at Riyadh's international airport last May. traffickers apprehended in the kingdom are using more sophisticated concealment techniques to bring drugs through customs.

Rising narcotics seizures and a growing domestic population of drug abusers have pushed Riyadh to address more openly the problem of drug use among

Saudi Arabian Drug Seizures, 1978-84



25X1

Saudi citizens, a step the government had strongly rejected until recently. Until last year, Saudi officials continued to tell US Embassy officials in Riyadh that the only drug abuse in the kingdom was among guest workers who brought drug habits with them from their native South Asian countries, particularly Pakistan and India. last April Saudi Crown Prince 'Abdallah said that the problem of illicit drugs is much greater than the government openly acknowledges and that he is seeking to redirect the state security services to handle the threat. Last spring, leading Saudi newspapers began to run stories for the first time about the successes of the canine contraband detector program and the opening of drug detoxification facilities at leading hospitals.

25X1

25X1

25X1

25X1

25X1

25X1

25X1

25X1

25X1

Secret

We believe that the primary reason for the recent rise in drug treatment facilities in the kingdom is the increasing number of young Saudis exposed to drugs in Europe and the United States who return to the kingdom. [REDACTED]

drug and weapons smugglers running contraband into the kingdom, [REDACTED]

25X1
25X1

- Riyadh banned the entry of foreign refrigerator trucks in 1985, according to the US Embassy in Jordan, charging that smugglers easily use false bottoms and walls in the sealed vehicles to bring in drugs and weapons. [REDACTED]

25X1
25X1

25X1

The Narcotics/Weapons Linkage

Smuggling of all types of contraband has been a chronic problem for Riyadh, but the Saudi Government appears more worried than ever that subversive elements are able to use the same networks to move weapons, explosives, and terrorist materials. The country has long, unguarded borders, parts of which are undefined or located in outlying desert regions, that allow large amounts of contraband to enter Saudi Arabia each year unobserved. Much of this material, such as foreign currency, consumer goods, and common drugs, is not related to security, but over the last several years Saudi state security services have become aware of an increasing volume of contraband weapons and explosives entering or transiting the kingdom:

- A large convoy of contraband weapons and other goods moved through the empty wastes of the Eastern Province toward an unknown destination in mid-1983, [REDACTED]
- Riyadh criticized the other members of the Gulf Cooperation Council (GCC) in early 1984 for their lax interdiction and security practices, [REDACTED]
- Security officials in the United Arab Emirates seized three shipments of contraband arms being smuggled through Saudi Arabia to North Yemen in 1983, [REDACTED]
- Riyadh demarched the Government of Jordan in mid-1984 to demand that Amman investigate the involvement of Jordanian officials with a ring of

Stepping Up Enforcement

Riyadh's response to rising narcotics and border security problems has been to expand its interdiction efforts, to seek Western expertise in improving customs facilities, and to increase the penalties for the smuggling or possession of contraband. King Fahd has issued decrees against the abuse of specific drugs and has changed the previous system of nominal fines for abuse to mandatory three-year prison terms for possession of illicit drugs, [REDACTED]

25X1
25X1

Overall management of the national drug interdiction effort is the responsibility of the Department of Customs within the Ministry of Finance. This office has received training and technical advice through its liaison with the US Customs Service. According to US Customs officials familiar with this program, Riyadh has attempted to increase the effectiveness of the customs program by:

- Creating watchlists of suspicious persons, flights favored by smugglers, and cargoes likely to be carrying contraband.
- Introducing a canine detector corps, capable of identifying a wide range of contraband weapons and narcotics.
- Putting increasing numbers of Saudi Government officers in direct charge of program components.

25X1

25X1
25X1

25X1

Riyadh also is reordering government departments involved with customs and security matters. Riyadh's current desire to "Saudi-ize" the personnel of major security and customs programs—replacing contract labor with Saudi nationals—reflects this effort. The General Director of the Department of Customs has

25X1

Secret

Secret

Dog Detector Program

The US-Saudi Arabian joint Canine Enforcement Program is the keystone of an extensive customs project aimed at increasing Riyadh's ability to interdict contraband of all sorts. Established under the auspices of the US-Saudi Arabian Joint Commission on Economic Cooperation, the program trains dogs and handlers to detect a wide range of weapons and illicit drugs at all the major airports and most ground entry points in the kingdom. Dogs and handlers are put through extensive training in the United States, and US officials continue to monitor the program in Saudi Arabia. [redacted]

US officials say Riyadh was initially reticent about assigning Saudi nationals to the program, claiming no proper Arab would agree to work with a dog, an animal traditionally considered unclean by orthodox Muslims. Most of the initial candidates for the program have been Malaysian contractors. But Saudi nationals have taken the US training program and returned to the kingdom where several of them currently serve as administrators to the national canine enforcement program. [redacted]

increased the membership of the national Interagency Cooperating Committee to include all five of the major services involved in monitoring movement of goods and people into and out of the country. [redacted]

In our view, the initiative to enhance coordination between security and customs services comes from Minister of the Interior Prince Nayif. According to US Embassy reports, he has made numerous administrative changes to streamline the Saudi bureaucracy and to overcome the widespread reticence to share information and techniques. Moreover, Prince Nayif has been active in promoting the value of joint or regional customs training programs among the Persian Gulf countries. [redacted]

We believe that Riyadh is not prepared to press antinarcotic measures likely to discomfit members of the administration. The decision to limit distribution of a highly restricted customs report issued in late

May suggests Riyadh has not yet decided how to handle potentially embarrassing revelations of official collusion in narcotics trafficking. The report concludes that perhaps one-fourth of the narcotics traffickers moving drugs into and through the country are Saudi nationals, [redacted]

The report also notes that efforts to stiffen border security do not affect the increasing number of privately operated small planes flown by Saudis that are probably also being used to bring in illegal substances, including contraband and drugs. [redacted]

25X1

25X1
25X1

25X1

Narcotics: A Growing Factor in Regional Relations

Riyadh has voiced its concerns about the growing connection between narcotics and security issues in several regional forums and seeks to increase the level of coordination and cooperation among its neighbors. As a member of the Arab League, the Organization of the Islamic Conference, and the GCC, Saudi Arabia has encouraged each group to review the possibility of increased cooperation in antinarcotics operations. According to US Embassy and press accounts of these meetings, however, none of these organizations has yet tabled a workable proposal for multilateral antinarcotics cooperation. [redacted]

25X1

25X1

Riyadh has initiated bilateral programs with some of its immediate neighbors to gain greater control over narcotics and illicit weapons smuggling. [redacted]

25X1

[redacted] the Saudi Ministry of Finance began a program in late 1985 to create facilities for in-country training in many of the contraband interdiction techniques currently performed in Saudi Arabia by foreign contractors. The long-range goal of the program is to provide standardized customs training to the member states of the GCC.

25X1
25X125X1
25X1

Nonetheless, we believe Riyadh faces serious constraints in encouraging neighboring states to institute security measures equivalent to the Saudi program. [redacted]

25X1

Secret

Secret

need to initiate successful contraband interdiction efforts. Domestic constraints also will limit the success of Riyadh's antinarcotics efforts:

25X1

Outlook

Drug trafficking into Saudi Arabia and domestic drug abuse are likely to rise over the next several years. Even with the economic cutbacks that Riyadh faces from falling oil prices, Saudi citizens will continue to enjoy relatively high levels of disposable income, and many Saudis will continue to study in the West where they will pick up the taste for recreational drugs. There is the possibility that affluent Saudis, accustomed to trafficking small amounts of drugs for their personal use, will smuggle large quantities of illicit narcotics into the kingdom for resale to offset reduced incomes.

- The unwieldy Saudi bureaucracy, characterized by a lack of cooperation among ministries, will be an obstacle to effective antinarcotics enforcement efforts.
- Riyadh has come to rely heavily on foreign expertise and complex technical means to interdict illicit drugs and weapons. The follow-on technology the kingdom will need to ensure its goal of maximum border security is likely to be prohibitively expensive given falling oil revenues and competing high-priority programs.

25X1

25X1

25X1

Continued political, economic, and social tensions in the Gulf and among Riyadh's neighbors to the north and south are likely to lead to a rise in demand for contraband arms in the region. The growing arms market will provide an impetus for drug traffickers to become involved in running weapons and other subversive contraband. We believe that such contraband will find a ready market inside Saudi Arabia among radical Shias, disaffected youth, and criminal elements, each with the potential to disrupt Saudi Arabia's normally placid environment.

25X1

Riyadh will continue to strengthen its drug and weapon interdiction programs. It will:

- Increase coordination among national security agencies.
- Push joint antinarcotics initiatives in regional and international forums.
- Increase criminal prosecution and punishments for trafficking and drug abuse.
- Replace foreign contract labor with Saudi nationals in key security positions.

25X1

We believe, however, that Riyadh's efforts to improve antidrug and contraband interdiction programs will fall short. The Saudi Government's approach to regional cooperation has offended many of the neighboring states whose support Riyadh will

25X1

Secret

Secret

Golden Triangle: Border Trafficking Monopoly Under Fire [REDACTED]

25X1

Introduction

The Shan United Army (SUA) remains in control of the narcotics trade on the Thai-Burmese border but is entangled in a conflict with a coalition of competing trafficking groups that has the potential to cut its market share of regional heroin production and is already altering trafficking patterns in the Golden Triangle. If the coalition succeeds in breaking the SUA's monopoly, heroin exports from the Golden Triangle will likely rise as these competitors enter the market. [REDACTED]

The Shan United Army's (SUA) drive to control the heroin trade along the Thai-Burmese border began in 1982 after a series of Thai military operations drove the SUA out of its strongholds in the northern border area. SUA forces regrouped in Burma, and its leaders opted to expand their control westward into areas controlled by its chief rival, the 3rd Chinese Irregular Force (CIF). Working with its ally the Tai Revolutionary Army (TRA), the SUA achieved its objective in September 1984 following a series of assaults against CIF positions near Piang Luang that resulted in the capture of the last of the CIF's border refineries. [REDACTED]

Forming Coalitions

Financially maimed by the defeat at Piang Luang, CIF leaders set out immediately to build a coalition of trafficking and insurgent groups strong enough to dislodge the SUA and reopen its own trafficking routes. The CIF solidified ties to the Wa National Army (WNA), an ethnic group that has long opposed the SUA, and recruited the Lahu National Army and leading members of the National Democratic Front, an umbrella organization of anti-Rangoon groups. The Burmese Communist Party (BCP) has backed the CIF-WNA campaign against the SUA for several months but did not commit troops to the fighting until April. BCP participation mainly has been limited to logistic support, increased use of the Shan State Army/North faction (SSA/N), a BCP ally, to harass SUA caravans, and a steady stream of its own opium caravans to the CIF. [REDACTED]

Currently, fighting among the coalitions is at a stalemate, mainly because CIF-WNA tactics have negated superior SUA firepower. The SUA is stronger man for man, more cohesive militarily, and has better leadership. But CIF-WNA aggressive hit-and-run tactics have kept the SUA offguard and on the defensive. [REDACTED]

25X1

Earlier this year, the CIF-WNA used a lull in the fighting to start its first large-scale refining operation on the border since losing its Piang Luang outposts in 1984. [REDACTED]

25X1

25X1

25X1

25X1

[REDACTED] The BCP and SSA/N have agreed to supply the refineries with raw narcotics. The BCP has also dispatched several hundred troops to the border to defend southbound caravans and harass local SUA units. There have been several small skirmishes between BCP and SUA troops in recent weeks. [REDACTED]

25X1

Prospects for Peace

We judge it likely that fighting will continue for at least several more months:

- The CIF-WNA alliance appears solid by Golden Triangle standards and is unlikely to end its attacks on the SUA any time soon. The CIF leadership views the current conflict as essential in regaining the group's share of the narcotics trade, and WNA leaders want to reopen their opium and jade routes to the border.
- Friction between the SUA and TRA leadership has made this alliance more shaky, but the SUA could probably hold its territory even if the TRA broke away. TRA units are not directly responsible for

25X1

Secret

DI NR 86-004
August 1986

Page Denied

Secret

25X1

protecting coalition strongpoints, and a TRA defection will not leave large gaps in the SUA's defenses.

- Thai Army support has been crucial in allowing the CIF-WNA to battle the SUA to a stalemate. Embassy reporting indicates the Thai Army allows the CIF easy access to Thai sources of weapons and ammunition and has assisted WNA leaders in planning operations against the SUA. We expect this pro-CIF bias to continue as long as the SUA remains dominant and the CIF does not regain its former position as a major heroin producer.

- Both sides have been conserving their resources and avoiding protracted setpiece battles. The coalitions let months pass between engagements, using the time to bolster their coalitions and fortify positions.
- A recent series of assassinations of SUA and CIF-WNA officials has raised the level of tension in border communities and is likely to prolong the conflict. Following a failed attempt on the life of CIF leader Gen. Li Wen-Huan in 1984, the CIF assassinated a number of SUA brokers and operatives. Both sides have now deployed hit teams to eliminate key enemy personnel.

25X1

Secret

Secret**Accommodation Likely**

SUA reaction to establishment of the CIF refinery complex at Ang Khan will indicate the longer term course of the conflict. The refinery represents a major step toward rebuilding the CIF cross-border marketing chain. [] SUA

leaders have intensified efforts to attack caravans supplying the refineries but have yet to attack the complex. Attacking the complex would demonstrate that SUA leaders still believe they can maintain their monopoly over border trafficking. SUA inaction, however, would indicate tacit acceptance of the CIF network and signal a change to more competitive border trafficking characteristic of the 1970s.

[] In our judgment, the SUA ultimately will seek some sort of an accommodation—perhaps losing some narcotics income while maintaining control over pricing. Prolonged fighting has drained SUA resources and increased costs of acquiring opium from the northern Shan State and moving heroin to the Thai market. The CIF-WNA alliance has shown more staying power than SUA leaders expected, and CIF strategy is one of patience, designed to prolong the conflict and force such a favorable compromise. If the CIF-WNA is able to intensify its military pressure and retake some key border positions, the SUA may be unable to prevent competitors from resuming full-scale trafficking along the border. []

Impact on the Heroin Trade

In our judgment, if the SUA is forced to open trafficking routes to its competitors, regional heroin availability will increase and wholesale prices in Thailand will drop. The SUA has been using its monopoly to hold back narcotics from the market to drive up prices. With more groups operating on the border, it will be forced to compete as a supplier to Thai middlemen. Increased competition will reduce the profitability of wholesale border trafficking and probably push traffickers to increase their control further along the marketing chain, where profits are greater. []

The BCP may be the big winner in the conflict. For several years, the BCP has controlled much of the opium moving to border refineries but has always

lacked the marketing infrastructure to become a major force in the regional heroin market. During the last two years, it has increased its processing capacity in the northern Shan State and has worked to expand its marketing networks out of the Golden Triangle.

[] Fighting also has spurred the use of smuggling routes—particularly through Burma and India—that bypass the Thai-Burmese border. Increased use of these routes will complicate interdiction efforts in the region and contribute to the involvement of Indian and Nepalese networks, which have better connections in Great Britain, Canada, and the United States than do ethnic Chinese. []

25X1

25X1

25X1

25X1

25X1

25X1

25X1

Secret

Secret

Worldwide Narcotics Highlights

25X1

South America

25X1

Powerful *Colombian* traffickers are continuing to foil US extradition attempts. In July—four months after Mata Ballesteros escaped from a Colombian prison and fled to Honduras—lawyers for Jorge Ochoa, the son of one of Medellin's top cocaine traffickers, and his associate Gilberto Rodriquez, persuaded a Spanish court to extradite their clients to Colombia. Jailed in Spain since November 1984, both had been fighting extradition to the United States where they are wanted on several drug charges, including one alleging that Ochoa was involved in large cocaine shipments through Nicaragua. Confident that he would receive only a minor sentence, Ochoa may request to be tried on charges identical to those pending against him in the United States. He could then rebut further extradition attempts by claiming double jeopardy.

25X1

In *Bolivia*, Operation Blast Furnace kicked off on 18 July. The joint US-Bolivian operation is designed to destroy cocaine-processing laboratories in El Beni and Santa Cruz Departments. At the same time, Bolivian antinarcotics police launched a simultaneous interdiction campaign in the Yungas and Chapare regions aimed at restricting the flow of coca products and arresting traffickers fleeing operations in El Beni. During the initial three weeks of Operation Blast Furnace, results were mixed—six out of the first 20 targets hit were abandoned cocaine-processing laboratories. Although no appreciable quantities of cocaine were found, two locations netted caches of cocaine-processing chemicals. Coordination, logistic, and targeting problems that initially plagued the operation apparently have been resolved, and this should lead to more frequent successes as the operation progresses.

25X1

Continued violence in the Upper Huallaga Valley is slowing progress in coca eradication and making it increasingly unlikely that *Peru* will reach its target of destroying 6,000 hectares of coca this year. The government's force of some 500 eradication workers destroyed less than 400 hectares of

Secret

coca in June—considerably short of their 750-hectare goal—bringing this year's total to 1,600 hectares. The government relocated most of the eradication force away from the major growing areas around Uchiza after a series of antigovernment demonstrations there in April. Eradication forces, however, still are not safe. In July, 50 traffickers armed with automatic weapons and handgrenades attacked a lightly defended eradication team, killing six workers and one guard. All attackers escaped unharmed, according to Embassy reports. The rate of eradication is not likely to increase until the workers are given better protection and moved back into the more densely cultivated areas. Key narcotics advisers have recommended that these areas be declared police emergency zones. President Garcia, more concerned with Peru's terrorist threat, has not yet acted on this suggestion.

25X1

In late June Governor Franco Montoro issued a decree that created a State Narcotics Council in Sao Paulo, *Brazil*. The council will be controlled by the State Secretariat of Justice and will include officials from the Health, Public Security, Social Welfare, and Education Secretariats, as well as representatives from the scientific community and private sector. Speaking at the signing ceremony, State Secretary of Health Joao Yunes described the council's mandate as "education and prevention, not enforcement." In other state jurisdictions, narcotics councils have proved to be effective catalysts for joint actions by disparate groups sharing a concern about increased drug trafficking and abuse in Brazil. In creating the council, Montoro has given an important signal of government support to Sao Paulo's private-sector activists who have mobilized on this issue during the past two years. The Governor completely dismantled his predecessor's antinarcotics organization, however, and his administration is due to leave office in March 1987. Creating a council strong enough to avoid a similar fate in the next nine months will be a daunting task

25X1

Civilian and law enforcement agencies in *Argentina* are alarmed at rising rates of marijuana and cocaine consumption. As a result, the Argentine National Commission on Drug Prevention has recently launched a "Master Plan" to stem the spread of drug addiction in the schools. It includes special courses for teachers, the preparation of education materials, technical assistance, and two scholarships for selected teachers to obtain specialized training abroad. The plan will require an estimated \$2.3 million, which is to be obtained from private donations and the UN Fund for Drug Abuse Control. The Argentines will contribute an equivalent amount in materials, equipment, and administrative, technical, and professional personnel. Meanwhile, governments in important provinces, including Cordoba and Buenos Aires, have formed provincial antinarcotics organizations to work with the National Commission in launching

Secret

Secret

coordinated drug abuse programs, and the mayors of several suburban areas—aided by civic and religious leaders—are dedicating considerable time and effort to educational and prevention campaigns. A number of programs already are being carried out by private and official institutions such as the National Center for Drug Rehabilitation, private organizations that conduct representative lecturing at schools, and parent’s groups. The Federal Police also are participating by sending specialized drug education teams to elementary and high schools throughout the country. [redacted]

25X1

Caribbean

Drug-related violence is increasing throughout the Caribbean—a trend that is likely to continue. In the *Cayman Islands*—free of homicides for more than two decades until this year—the latest of five drug-related killings took place late last month, [redacted]

25X1
25X1

[redacted]

[redacted] In

25X1

Trinidad and Tobago, police report that violent crime and weapons violations are growing as drug trafficking increases. The surge in drug-related violence accompanies an increase in the size and frequency of narcotics shipments in the Caribbean. Traffickers and drug abusers now have greater access than ever to weapons smuggled into Caribbean nations, largely from the United States. Caribbean leaders are deeply concerned over the wave of violence, but rampant corruption, weak legal systems, and poorly trained police make a successful crackdown unlikely. [redacted]

25X1

For the first time, *Jamaican* security officials have been able to target major marijuana traffickers, largely untouched until recently. A late May drug raid in St. Thomas Parish netted a leading area dealer, and even the intervention of a Jamaican Cabinet minister often linked to drug trafficking failed to secure the drug trader’s release. [redacted]

25X1

[redacted]

25X1

Secret

Secret

Mexico

Mexican traffickers in Sinaloa State—one of Mexico's most important opium poppy and marijuana growing areas—are attempting to intimidate US drug control officials. In late June, [REDACTED]

25X1

[REDACTED] At the same time, two security guards assigned to the US Consulate in Mazatlan resigned, apparently as a result of pressure from drug traffickers. Although US officials continue to push for the arrest of Salcido under an outstanding warrant, Mexican Federal Judicial Police (MFJP) personnel have been unable to apprehend him. These intimidation tactics are almost certainly designed to disrupt [REDACTED] investigations against Salcido. These measures also may be part of a conscious effort by traffickers to dissuade officials from more forceful antidrug action planned this fall. DEA's decision to reopen the Mazatlan post with additional personnel on 1 September 1986 is likely to result in further attempts by traffickers to undermine US investigative efforts, and armed confrontation cannot be ruled out. [REDACTED]

25X1

25X1

Central America

Turf battles among narcotics traffickers in *Belize* have raised drug-related violence there to an unprecedented high. In early May, US Embassy officials indicated that drug wars between various syndicates in each of Belize's five trafficking districts were imminent. [REDACTED]

25X6
25X6

[REDACTED] This competition among trafficking groups for control of drug operations in Belize is likely to result in the firm establishment of a few well-integrated and organized narcotics networks having control of overall trafficking operations within well-defined territorial boundaries. At the same time, the trafficking organizations probably will cooperate in certain less competitive activities—such as transporting drugs to buyers—to keep costs for such activities at a minimum. US Embassy, [REDACTED] indicate this pattern may already be developing in the marijuana trade. Four or five principal traffickers in each district control operations—paying smaller growers to cultivate the crop and in some cases pooling resources to transport the harvested crop to US and Mexican buyers. These established marijuana networks are ideally structured for trafficking cocaine, and US Embassy [REDACTED] officials believe these groups are responsible for the reported increase in cocaine transshipment through Belize in recent months. [REDACTED]

25X6

25X1

25X1

25X1

Secret

Page Denied

Secret

The spread of marijuana cultivation in *Thailand* to several north central provinces will put additional pressure on Thai enforcement resources and signals that Thai traffickers are moving to counter expanded eradication planned in the northeast. [REDACTED]

25X1

[REDACTED] a trafficking syndicate headed by a former member of parliament from northeastern Thailand is already well entrenched in Sukhothai and Lampang Provinces and sponsors cultivation of about 50 hectares of marijuana, which would produce about 60 tons of marijuana. The syndicate has secured high-level police protection and uses corrupt police to force independent growers to sell their crop to the syndicate. [REDACTED]

25X1

25X1

25X1

[REDACTED] We judge a piecemeal local approach is likely to fall prey to corruption, and only a nationwide campaign designed to contain spreading cultivation can keep the Thai marijuana trade from continuing its explosive growth.

25X1

25X1

Thai marijuana traffickers increasingly are turning to *Laos* to supplement domestic production, sidestepping antimarijuana enforcement by Bangkok. Marijuana production in Laos is expanding rapidly, largely through the efforts of the government's Mountainous Area Development Company (MADC), which promotes cultivation, serves as the principal buying agent for the provinces, and coordinates sales to Thai buyers. [REDACTED]

25X1

25X1

[REDACTED] MADC may have close to 1,000 tons of marijuana ready for export by December 1986, [REDACTED]

25X1

25X1

25X1

[REDACTED] The growing links between major Thai brokers and MADC indicate that a significant share of future marijuana exports from Thailand to the United States is likely to be Lao grown. Thai traffickers are drawn to Lao supplies because there is no threat of eradication in Laos, and the Thais can deal directly with the MADC rather than a large number of individual growers. Intensified eradication planned by Bangkok for the coming year will lead Thai traffickers into even greater dependence on Lao supplies. [REDACTED]

25X1

East Asia

The first *China*/US bilateral narcotics conference held last month in Beijing produced fruitful discussions on drug trafficking in the region, Chinese views on multilateral drug initiatives, and plans for greater cooperation. Chinese officials shared US concern that southern China is

Secret

Secret

used as a route for Golden Triangle narcotics destined for Hong Kong and other countries. The Chinese expressed general agreement with the proposed United Nations Convention on Narcotics Trafficking and said Beijing is adopting preventive measures to control the movement and export and import of precursor chemicals. Regarding antidrug cooperation with the United States, Chinese officials promised, and later provided, greater access for Embassy and DEA officials to provincial officials in Kunming—astride the main smuggling route—and expressed their desire for greater exchange of intelligence on drug matters. []

25X1

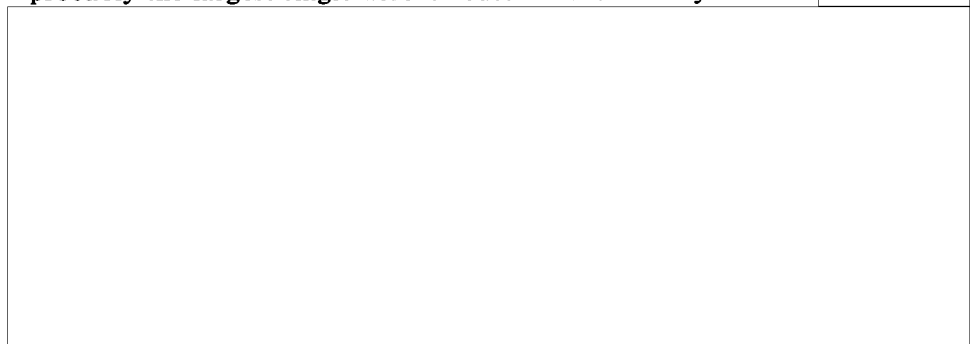
Despite appeals for clemency from Australia and the United Kingdom, in July *Malaysia* executed two Australian men convicted of trafficking 179 grams of heroin. A 1983 amendment to Malaysia's drug-trafficking law made the death penalty mandatory for possession of 15 grams or more of heroin. Since the death penalty was first introduced in 1975, the Malaysian Government has executed 38 people for drug trafficking, six of whom were Singaporeans. Despite Australian Prime Minister Hawke's statement that the executions were "barbaric," neither government expects that relations will be adversely affected. The action—and its widespread media coverage—will help publicize Malaysia's tough stand on drug abuse and trafficking. Kuala Lumpur is also maintaining a high profile in the international antidrug arena, fielding its Prime Minister as a candidate for the Presidency of the 1987 UN Conference on Drug Abuse and Trafficking, according to the US Mission in New York. []

25X1

Southwest Asia

Narcotics control officials in *Pakistan* in June apprehended an Army major and accomplices attempting to smuggle approximately 200 kilograms of heroin from the North-West Frontier Province (NWFP) to Karachi by private vehicle, according to Embassy reporting. The seizure is probably the largest single heroin "bust" in the country to date. []

25X1



25X1

India has approved the establishment of a centralized Narcotics Control Bureau (NCB) under the Ministry of Finance. B. V. Kumar—a rapidly rising star known for aggressive revenue enforcement—has been confirmed

Secret

as NCB director general, [redacted] Although details of the new bureau have yet to be worked out, the organization undoubtedly will bear Kumar's personal stamp. [redacted] the government plans to open NCB zone offices in Bombay, Calcutta, Madras, and Cochin, primarily to crack down on heroin smuggling at major ports and airports. The NCB has the potential to become more effective than the police or customs because the bureau will have both an interagency coordinating function and an exclusive focus on the drug problem. [redacted]

25X1

25X1
25X1

Poppy cultivation and opium smuggling are under way in several remote, mountainous districts in western *Nepal*. [redacted]

25X1
25X1

[redacted] End users are probably in the larger towns of Nepal and in nearby India. Government authorities make virtually no attempt at suppression throughout the region. In fact, [redacted] district and village level functionaries support the opium trade as a generator of needed revenue. In addition, local politicians of every stripe—including radical Communist dissidents—encourage the drug trade either to finance their political activities or for personal gain, [redacted]

25X1

25X1

25X1

[redacted] the Government of India estimates that as much as 80 percent of the funding for the major *Sri Lankan* Tamil insurgent groups comes from drug trafficking in South Asia and Europe. The groups use Tamil expatriates in Europe, the Middle East, South Asia, and North America to traffic narcotics into Western countries and remit funds to buy arms and supplies. The Liberation Tigers of Tamil Eelam (LTTE) appears to be the militant group most heavily involved in the drug trade. [redacted] the LTTE's income from drug trafficking runs into several million dollars each month. West European governments are increasingly concerned about the "Tamil connection." [redacted] 600 Tamils were arrested abroad on drug trafficking charges in the past two and a half years. [redacted]

25X1

25X1

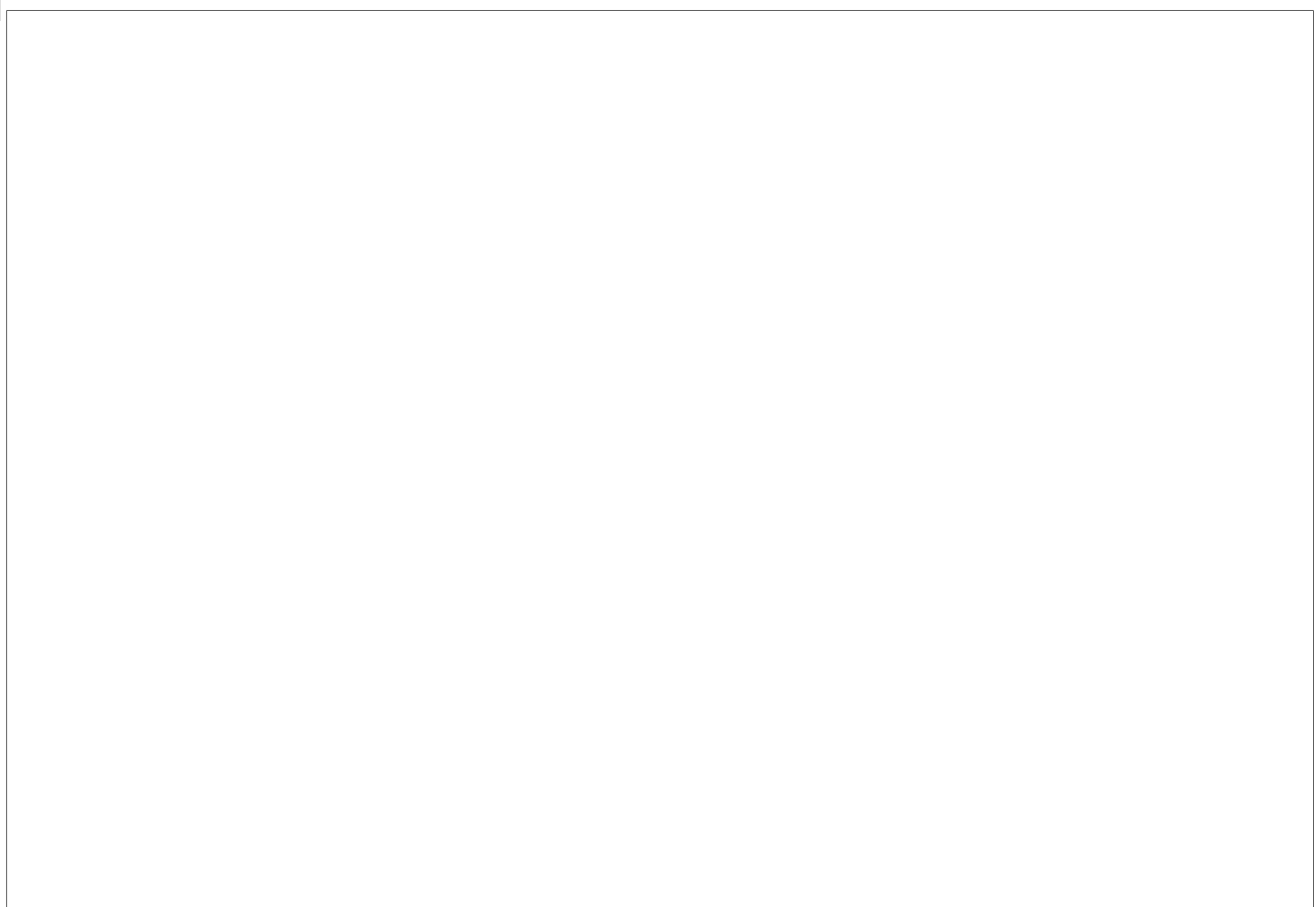
25X1

25X1

Secret

25X1

25X1

**Middle East**

[redacted] despite a large seizure of South American cocaine in July, the government has yet to initiate an effective narcotics interdiction campaign. US Embassy officials report that more pressing political and economic problems are hindering Cairo's antidrug effort. Increased official support for the death penalty for convicted drug traffickers and the appointment of a drug enforcement expert as governor of Assiut—Egypt's major poppy growing and opium production region—suggests, however, continued government resolve to fight the country's growing drug problems. [redacted]

25X1

25X1

Western Europe

The French Government has named a no-nonsense policeman, Guy Fougier, to head its interministerial mission responsible for coordinating antidrug efforts and placed the mission under the Ministry of Justice. The US Embassy suspects that these moves are not only a part of a general law-and-order campaign by the Chirac government, but also an attempt to

Secret

counter the growing drug problem in France and a sign that the government intends to give the mission some muscle. The moves may also indicate a policy shift away from prevention and rehabilitation to law enforcement. A well-known law enforcement officer—who is not an expert on narcotics problems—is unlikely to accept the mission's previous role as a clearinghouse for information about the drug problem and more likely to emphasize enforcement efforts. He may even be able to succeed where his predecessors—who were magistrates—failed and get the Central Narcotics Office of the National Police, the Paris Narcotics Squad, and Customs to cooperate. [redacted]

25X1

Africa

Nigerian traffickers are testing smuggling routes to the United States and Europe through Ivory Coast and Liberia to avoid stepped-up security at Murtala Muhammed airport in Lagos, [redacted] US Embassy officials in Abidjan report that drug trafficking poses an immediate threat to Ivorian law enforcement agencies. In a related development, Nigerian and Ghanaian nationals are contracting with Ivory Coast farmers to grow marijuana. West African traffickers are also moving semirefined Bolivian cocaine from Brazil to Ghana for final processing before shipment to Europe. [redacted]

25X1

25X1

Secret

Secret